

ORIGINAL

NEW APPLICATION



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BEFORE THE ARIZONA CORPORATION

Arizona Corporation Commission

COMMISSIONERS

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AZ CORP COMMISSION
DOCKET CONTROL

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IN THE MATTER OF THE APPLICATION
OF SULPHUR SPRINGS VALLEY
ELECTRIC COOPERATIVE, INC., FOR A
DETERMINATION OF THE FAIR VALUE
OF ITS PROPERTY FOR RATEMAKING
PURPOSES, TO FIX A JUST AND
REASONABLE RATE OF RETURN
THEREON, TO APPROVE RATES
DESIGNED TO DEVELOP SUCH RETURN,
AND FOR RELATED APPROVALS.

DOCKET NO E-01575A-13-0296

**REQUEST FOR DOCKET NUMBER
AND
NOTICE OF FILING PROPOSED
FORM OF CUSTOMER NOTICE**

BROWNSTEIN HYATT FARBER SCHRECK, LLP
One East Washington Street, Suite 2400
Phoenix, Arizona 85004

On July 26, 2013, Sulphur Springs Valley Electric Cooperative, Inc. ("SSVEC" or the "Cooperative") hand-delivered to Utilities Division Staff ("Staff") of the Arizona Corporation Commission ("Commission") a Request for Pre-Filing Eligibility Review ("Request") pursuant to Arizona Administrative Code ("A.A.C.") R14-2-107(C)(2). The Request contained two hard copies of SSVEC's draft application for a rate increase pursuant to A.R.S. § 40-250 and A.A.C. R14-2-107 including, as attachments, the information requested in A.A.C. R14-2-107(E), a proposed form of customer notice ("Customer Notice") in accordance with A.A.C. R14-2-107(D), and a proposed form of recommended order. Also included with the Request was a copy of SSVEC's proposed standard offer tariff (incorporating the requested revisions to rates) and work papers supporting the schedules required pursuant to A.A.C. R14-2-107(E)(5) and (6). SSVEC also provided an electronic copy (with formulae intact) of the draft application, the attachments, and the other supporting documents referenced in the Request via e-mail to Staff.

On September 4, 2013, representatives of SSVEC met with Staff in accordance with A.A.C. R14-2-107(C)(3) to discuss the Cooperative's eligibility under A.A.C. R14-2-107(B) and Staff's comments regarding the Customer Notice previously submitted. SSVEC incorporated

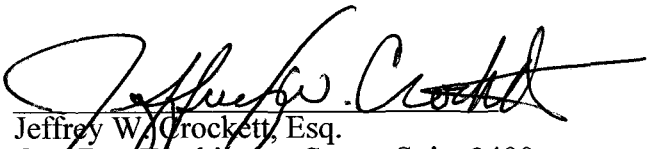
1 and/or addressed Staff's comments regarding the Customer Notice and Staff approved the
2 Customer Notice attached hereto as Attachment 1. The Cooperative intends to mail the Customer
3 Notice to its customers on or about September 7, 2013.

4 Pursuant to A.A.C. R14-2-107(C)(4), SSVEC hereby requests that the Commission
5 establish a docket number for the above-captioned proceeding.

6 RESPECTFULLY SUBMITTED this 4th day of September, 2013.

7 BROWNSTEIN HYATT FARBER SCHRECK LLP

8
9 By



Jeffrey W. Crockett, Esq.
One East Washington Street, Suite 2400
Phoenix, Arizona 85004
Attorney for Sulphur Springs Valley
Electric Cooperative, Inc.

12 ORIGINAL and 13 copies filed this
13 4th day of September, 2013, with:

14 Docket Control
15 ARIZONA CORPORATION COMMISSION
1200 West Washington
16 Phoenix, Arizona 85007

17 COPY of the foregoing hand-delivered
this 4th day of September, 2013, to:

18 Lyn Farmer, Chief Administrative Law Judge
Hearing Division
19 ARIZONA CORPORATION COMMISSION
1200 West Washington Street
20 Phoenix, Arizona 85007

21 Steven M. Olea, Director
Utilities Division
22 ARIZONA CORPORATION COMMISSION
1200 West Washington Street
23 Phoenix, Arizona 85007

24 Janice M. Alward, Chief Counsel
Legal Division
25 ARIZONA CORPORATION COMMISSION
1200 West Washington Street
26 Phoenix, Arizona 85007

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ATTACHMENT 1

IMPORTANT RATE INCREASE NOTICE – PLEASE READ

Sulphur Springs Valley Electric Cooperative ("SSVEC" or "Cooperative") has notified the Arizona Corporation Commission ("Commission") that it intends to file a streamlined application ("Streamlined Application") on or about September 27, 2013, to increase its rates and charges pursuant to A.R.S. § 40-250 and A.A.C. R14-2-107 ("Rule 107"), the Commission's rule authorizing the filing of streamlined rate applications for electric and natural gas cooperatives. SSVEC is requesting an overall rate increase of \$4,886,307, or 4.92% over actual test year total base revenue. SSVEC states that the rate increase is necessary to recover increased operating costs in the following categories: operation and maintenance, consumer accounts, customer service and information, sales, administrative and general, depreciation and amortization, taxes, interest and payroll. SSVEC further states that the rate increase will allow SSVEC to maintain the financial integrity of the Cooperative.

A residential customer with monthly energy consumption of 720 kWh (average usage) will see an increase in his/her bill of \$5.13 per month (\$95.87 to \$101.00), or 5.35%. A residential customer with monthly energy consumption of 602 kWh (median usage) will see an increase in his/her bill of \$4.61 per month (\$81.51 to \$86.12), or 5.66%. The proposed percentage increases by rate class over existing base rates are:

Residential Service	5.35%	Residential Time of Use Service	5.17%
General Service	5.90%	Gen. Svc. & Small Power TOU	6.00%
Irrigation Service	4.95%	Controlled Irrigation Service	5.00%
Large Interruptible Service	5.00%	Large Power Service	4.00%
Seasonal Power Service	3.85%	Industrial Power Service	4.00%
Large Power Time of Use (TOU) Service	4.00%	Contract Power Service	**
General Service - RV Parks	4.85%	Street Lighting	4.81%
Security Lighting	4.81%	Unmetered Service	4.10%

** Rate increases for the contract power service class are negotiated.

For a residential customer, the maximum allowable rate increase permitted for SSVEC under Rule 107 is 9% or \$8.63 per month for a customer with average usage and \$7.34 per month for a customer with median usage. SSVEC's proposed residential customer increase is less than the maximum allowable increase.

Processing the Streamlined Application

Rule 107 provides streamlined procedures that should reduce rate case expense for processing rate applications of electric and natural gas cooperatives where (i) the requested increase in total base revenue does not exceed 6% of the actual test year total base revenue; (ii) the change in base revenue generated by any one rate class is no greater than 150% of the overall base revenue increase; (iii) there is no change greater than 25% in the customer charge within a rate schedule for residential customers; and (iv) there is no change in the rate blocks or the percentage relationship of the prices among rate blocks. You can view the entire Rule 107 at <http://images.edocket.azcc.gov/docketpdf/0000143393.pdf>. The rule requires that not sooner than 20 days or later than 50 days after providing this notice to customers, SSVEC may file its Streamlined Application to increase rates. Streamlined refers to the fact that such an application will be processed under a shorter time-frame than a rate increase application filed pursuant to A.A.C. R14-2-103 ("Rule 103") and, therefore, receive a less comprehensive (possibly less costly) review/analysis by Commission Staff than a Rule 103 review/analysis. SSVEC's Streamlined Application may be approved without a formal evidentiary hearing. However, the Commission may at any time - at the request of Staff, an intervenor, or on its own - require SSVEC's rate increase application to be processed pursuant to the more comprehensive Rule 103 requirements. You can view the entire Rule 103 at http://www.azsos.gov/public_services/Title_14/14-02.htm#ARTICLE_1.

A person desiring to object to the Streamlined Application or to request intervention in the rate case shall file the objection or the intervention request not later than the date specified below. Within 14 days after the deadline for objections and intervention requests, the Commission's Utilities Division Staff must determine the eligibility and sufficiency of the Streamlined Application under Rule 107.

If the Commission receives objections from at least 1,000 SSVEC customers by October 9, 2013, SSVEC will not be eligible to use the Rule 107 streamlined rate increase application procedure, but will instead need to use the Rule 103 rate increase application process which would involve a formal evidentiary hearing and a more comprehensive (possibly more costly—SSVEC reports that the costs of the last rate case were approximately \$1,290,000 while costs of this rate case are expected to be \$200,000) review/analysis by Commission Staff.

Public Comment and Intervention

Written public comments regarding SSVEC's Streamlined Application, **including objections to it being processed pursuant to the alternative Rule 107 streamlined requirements**, may be submitted by mailing a letter referencing Docket No. E-01575A-13-XXXX to the Commission's Consumer Services Section at 1200 W. Washington, Phoenix, Arizona 85007, or by e-mail. For a form to use and instructions on how to e-mail comments to the Commission, go to:

<http://www.azcc.gov/Divisions/Utilities/forms/PublicCommentForm1.pdf>.

Requests to intervene may be filed in Docket No. E-01575A-13-XXXX by any person entitled by law to intervene or who is directly and substantially affected by the proceeding. If you require assistance, either to provide public comment or to seek intervention, you may contact the Commission's Consumer Services Section at 602-542-4251 or 1-800-222-7000, or you may contact SSVEC during normal business hours at 520-586-2238. All motions to intervene and all objections to the Application must be filed on or before October 9, 2013.

How You Can View or Obtain a Copy of the Application and Other Filed Documents

A copy of the Streamlined Application is available for public inspection during regular business hours on SSVEC's website at www.ssvec.org; and SSVEC's offices located at 350 N. Haskell, Willcox, Arizona 85643 and 311 E. Wilcox Drive, Sierra Vista, Arizona 85635. After September 27, 2013, a copy of the Streamlined Application will also be available for public inspection during regular business hours at the Commission's Docket Control Center at 1200 W. Washington Street, Phoenix, Arizona, 85007, in the Commission's Tucson Office at 400 W. Congress, Tucson, Arizona, 85701 and on the Internet via the Commission's website (www.azcc.gov) using the e-Docket function.

SSVEC Contact Information

Sulphur Springs Valley Electric Cooperative, Inc.
311 E. Wilcox Drive
Sierra Vista, Arizona 85635
Phone: (520) 458-4691

ADA/Equal Access Information

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, as well as request this document in an alternative format, by contacting the ADA Coordinator, Shaylin Bernal, e-mail SABernal@azcc.gov, voice phone number 602-542-3931. Requests should be made as early as possible to allow time to arrange the accommodation.